

CITY OF EAST PROVIDENCE

RHODE ISLAND

DEFICIT ELIMINATION COMMITTEE

April 27, 2011

6:00 PM

This meeting was called to order at 6:09 p.m.

Present: William J. Conley, Jr., Chairperson

Michael DiGioia, Councilman

Orlando Andreoni, Interim City Manager

Charles Tsonos, School Committee Chairperson

Chrissy Rossi, School Committee member

Mary King, School Finance Director

Mario Cirillo, Superintendent of Schools

The Chairperson made opening remarks welcoming the committee members and members of the public who were present. The Chair asked the committee to address agenda item No. 1 - Review of Status of 2009-2010 Fiscal Year Audit for City and School Department. The Interim City Manager, Orlando Andreoni advised the committee that it was not yet completed. He anticipated it would be done in about 10 days. The Finance Director for the School Department agreed that there was still some information that needed to be completed for the auditor and that 10 days was a reasonable time period for completion.

The Interim City Manager and the Superintendent agreed to supply the committee with a copy of the final audit as soon as it was

available. Chairperson Conley directed the committee's attention to agenda item No. 2 - Review of Status of 2010-2011 Budget Revenue Fiscal Year Budget Revenue / Expenditures for City and School Department. A general discussion took place among committee members and an agreement was reached that for the deficit elimination committee to perform its task it must know the status of both the City budget and School Department budget for fiscal year 2010-2011. Concerns were expressed about deficits existing in both budgets because of possible revenue deficiencies and unexpected expenditures. The Interim City Manager agreed that through his office the committee would be supplied with the following information at least two days prior to the next scheduled committee meeting:

1. An itemization of revenue shortages year to date and any anticipated revenue shortfalls for year end.
2. An itemization of unbudgeted expenditures year to date and any anticipated unfunded expenditures for year end.
3. An itemization of excess expenditures year to date and any anticipated excess expenditures for year end.
4. A status report on the wastewater fund including, but not limited to, monthly revenue and expenditures year to date; including expenses due but not yet paid.

Mr. Joseph Grace and Valerie Lawson both commented as members of the public that they agreed that this kind of information is necessary for the committee to present a meaningful deficit

elimination plan at the conclusion of its work. The Finance Director of the School Department agreed to provide the committee with the following information at least two days prior to the next scheduled meeting:

- 1. An itemization of revenue shortages year to date and any anticipated revenue shortfalls for year end.**
- 2. An itemization of unbudgeted expenditures year to date and any anticipated unfunded expenditures for year end.**
- 3. An itemization of excess expenditures year to date and any anticipated excess expenditures for year end.**

The Chair then directed the committee's attention to agenda item No. 3 - Discussion of Alternative Approaches / Methodology for deficit elimination proposals. A general discussion took place in which the pros and cons of TANS; and a deficit reduction bond were discussed.

The committee also talked about the need to have accurate information on the long-term costs of these alternatives and the impact on the tax rate. There was a discussion that an analysis of the City's collection rate on taxes would be helpful. The committee also talked about the need to define creative sources of revenue and to discuss budget cuts for both City and School side once the information from agenda items one and two were received by the committee. Fire Chief, Joseph Klucznik presented six ideas for revenue enhancement.

- 1. Modifications to the rescue billing that could result in as much as \$1.2 million in extra revenue.**
- 2. Waiver of the \$50 deductible for rescue billing with an increase in revenue of \$80,000.00 per month.**
- 3. A fee for fire alarm inspections that could result in revenue of \$136,500.00 a year.**
- 4. A fee for materials and labors related to responses to accidents that could provide \$100,000.00 per year in additional revenue.**
- 5. A fee for fire prevention inspections for \$100.00 would provide additional revenue of \$34,600 per year.**
- 6. Corporate sponsorships.**

The Chair directed the committee's attention to agenda item No. 4 - Confirm Schedule for Meetings. After discussion, it was agreed that the proposed date of May 11, 2011 at 6:00 p.m. would be changed to May 12, 2011 at 6:00 p.m. and the May 18, 2011 at 6:00 p.m. and May 31, 2011 at 6:00 p.m. meeting dates were confirmed. The committee agreed that other meeting dates could be scheduled as may be required to meet the time deadline for its work.

A motion was made and seconded to adjourn the meeting at 7:45 p.m.